



COMMITTEE ON  
**ENERGY & COMMERCE**  
DEMOCRATS  
RANKING MEMBER FRANK PALLONE, JR.

**FOR IMMEDIATE RELEASE**

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## **Pallone Remarks at Electric Transmission Infrastructure Hearing**

**Washington, D.C.** – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Energy hearing on “Examining the State of Electric Transmission Infrastructure: Investment, Planning, Construction, and Alternatives.”*

I want to welcome our excellent panel of witnesses. In particular, I am pleased we have Ralph Izzo, the President and CEO of PSE&G, here today. Ralph and I have worked together and known each other for many years. I value his opinion and appreciate the vital service PSE&G provides to my constituents and state.

The network of transmission lines are truly the backbone of the power system. These transmission lines are critical to providing reliable electricity. But just like any large, conspicuous infrastructure project, transmission projects are rarely free from controversy. And, in densely populated areas – such as we have in the northeast – allocating space for any new infrastructure is often a challenge.

The electricity sector is undergoing tremendous change. There are new technologies and growth in distributed generation. At the same time, demand for power has remained relatively flat. And, there are new challenges of extreme weather and cybersecurity threats, along with increasing demand for the grid to be more flexible and responsive. All these things require us to evaluate the policy tools that FERC is using to manage this evolution.

We will hear a variety of opinions today about the degree to which FERC’s Orders are helping or hindering investments in electric transmission. It is a challenge to get this balance right, so it is no surprise that stakeholders in this arena will have diverse opinions on how to improve these policies.

If we look at the map of existing transmission lines across the country, it is hard for me to believe that we need a lot of new transmission. This is a very mature network. But, since much of that network has been in place for decades, it is also a good bet that it needs to be upgraded and modernized.

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This is something that companies must consider when they are pursuing a transmission project. A project in my own district, the Monmouth County Reliability Project, proposed by First Energy, is one example where there was no serious consideration given to non-transmission options that could make the area's system more resilient and reliable. It was only through the diligent efforts of a group of my constituents called the Residents Against Giant Electric (RAGE) that this expensive, unnecessary project is not moving forward. RAGE provided expert analyses demonstrating that transmission alternatives could accomplish an upgrade to the grid at a far lower cost to ratepayers and that these alternatives were never seriously considered. The Administrative Law Judge who reviewed this case agreed with that assessment.

This project illustrates that there remains a bias to building transmission rather than using new tools. It is in the financial interest of transmission companies to build, especially when there are clear rules that allow them to recoup those investments. Determining if new transmission is needed must involve all stakeholders, and be evaluated without bias. If, in fact, new transmission lines are needed – and, in some cases they truly will be – then the project should go forward. But, where new technology can provide a cheaper solution that is less disruptive to other businesses, existing infrastructure, and communities, we should ensure those options are used.

The rapidly changing environment we are in right now is both exciting and challenging. FERC's efforts to address transmission challenges have been admirable, but far from perfect. There have been, and will continue to be, missteps along the way that require adjustment and correction, perhaps even serious revision in some areas. This series of hearings is providing all of us with an opportunity to better understand where the greatest challenges remain.

Again, I want to thank all our witnesses for appearing before the Subcommittee today, and I look forward to your testimony.

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